

4 FAH-3 H-130

OBLIGATION OF APPROPRIATIONS

(TL:FMP-17; 05-05-2003)
(Office of Origin: A/RPS/DIR)

4 FAH-3 H-131 CONTROL OF OBLIGATIONS

4 FAH-3 H-131.1 Basis of Establishing Obligations

4 FAH-3 H-131.1-1 Obligations Precede Payments

(TL:FMP-1; 09-30-1994)

Responsible officers who generate obligation sources shall enter the estimated obligation prior to making payments for salary and allowances due through the end of the accounting month and on the basis of orders for materials, supplies, equipment, or services, travel authorizations, contracts, and similar transactions. In order to provide maximum control over the unobligated balances of allotments and to avoid Anti-Deficiency Act violations, these estimates should be stated as fully and as accurately as possible. These estimates must include post obligations which may be paid at another office.

4 FAH-3 H-131.1-2 Reduction of Funds Available

(TL:FMP-1; 09-30-1994)

Incurring an obligation reduces the amount of funds available for future obligation. The responsible officer must verify if funds are available before completing the source document. This will provide the responsible officer with a positive control on all obligations against the allotment and the balance of funds still available.

4 FAH-3 H-131.1-3 Unobligated Balance Reduction

(TL:FMP-1; 09-30-1994)

The responsible officer must ensure that all proposed payments are supported by valid obligation. The payment of an amount which exceeds the established obligation requires the recording of an additional obligation

which has the direct effect of reducing the unobligated balance of the allotment.

4 FAH-3 H-132 PURPOSE OF CONTROL

(TL:FMP-1; 09-30-1994)

Obligation control is necessary to preclude overexpenditure of available funds. As allotments are made for the purpose of preventing deficiencies in, or overexpenditure of, appropriations and appropriation limitations, it follows that if obligations and expenditures do not exceed the available amounts, no deficiency or overexpenditure will occur.

4 FAH-3 H-133 MANAGEMENT RESPONSIBILITY

4 FAH-3 H-133.1 Responsible Officer

(TL:FMP-17; 05-05-2003)

- a. The officer in charge is the named allottee and has overall responsibility for the control of funds made available to the bureau or post. Direct responsibility for funds control is vested in the bureau/office budget officer or post financial management officer (FMO) or, if none, the *management officer (MO)* in accordance with 4 FAM . If neither an FMO or *MO* position exists at a post, direct responsibility for control is vested in the officer specifically authorized in writing by the officer in charge in accordance with 2 FAM.
- b. An officer in charge is the assistant secretary of a bureau, an office director, or chief of mission or principal officer at a post.

4 FAH-3 H-133.2 Firm and Fixed Limitations

(TL:FMP-1; 09-30-1994)

The allotment document prescribes firm and fixed legal limitations and allottees may not exceed the amount of their allotment.

4 FAH-3 H-134 METHOD OF CONTROL

4 FAH-3 H-134.1 Approval of Funds Availability

(TL:FMP-1; 09-30-1994)

The officer having direct responsibility for funds control shall require that all obligation documents prepared by authorized officials be approved by the responsible officer as to the availability of funds before release to vendors, travelers, contractors, etc. Also, this officer shall initiate the necessary obligation documents covering normal recurring charges.

4 FAH-3 H-134.2 Record of Unobligated Balance

(TL:FMP-1; 09-30-1994)

Responsible offices will maintain a current record of each allotment's unobligated balance. Each obligation document shall be checked against the account for sufficiency of unobligated funds before release. Under no circumstances shall any obligation document be released which would overobligate the allotment.

4 FAH-3 H-134.2-1 Funds Available

(TL:FMP-1; 09-30-1994)

The responsible officer shall promptly process and record in the account the obligating documents when funds are available and an expense has been administratively approved.

4 FAH-3 H-134.2-2 Funds Not Available

(TL:FMP-1; 09-30-1994)

The responsible officer shall disapprove the obligating document when funds are not available and return the document to the issuing officer with the advice that it cannot be processed because of insufficient funds.

4 FAH-3 H-134.3 When Goods are Received or Services Rendered

(TL:FMP-1; 09-30-1994)

The responsible officer must make and record a payment when goods have been received or services have been rendered and no obligation has been established and the allotment or allowance has been exceeded.

4 FAH-3 H-135 CONTROL UNDER FINANCIAL MANAGEMENT OPERATIONS

4 FAH-3 H-135.1 Recurring Charges

(TL:FMP-1; 09-30-1994)

On receipt of an allotment or operating allowance, the fiscal servicing post shall determine the total amount required by all posts in the country to meet normal recurring charges, other established expenses, and any special items. It will advise each fiscal serviced post of the types and amounts of recurring charges and special items of expenditure for which payment will be arranged by the fiscal servicing post. The fiscal servicing post is responsible for establishing obligations on its records for all such charges.

4 FAH-3 H-135.2 Petty Expenditures

(TL:FMP-1; 09-30-1994)

The fiscal servicing post will estimate an amount which may be used by fiscal serviced posts for petty expenditures (see 4 FAM) and will notify each post of the obligation number and the maximum amount made available for this purpose. This amount shall not be exceeded unless specific authorization is received from the fiscal servicing post. Fiscal serviced posts may be requested by the fiscal servicing post to make payments on certain certified vouchers from the operating cash advance.

4 FAH-3 H-135.3 Increases, Decreases, and New Obligations

(TL:FMP-1; 09-30-1994)

In the event a fiscal serviced post contemplates activities not within previously authorized limitations and which would require increases in obligations or the establishment of new obligations, the approval of the fiscal servicing post must be obtained before any orders may be placed. This applies to any and all increases in obligations or establishment of new obligations. When a fiscal serviced post finds that it will not have need for any funds that have been reserved for it by the fiscal servicing post, the fiscal serviced post shall advise the fiscal servicing post immediately. All requests by fiscal serviced posts for adjustments in obligations shall be directed to the fiscal servicing post and not to the Department.

4 FAH-3 H-136 THROUGH H-139 UNASSIGNED